



Retirement Investors' Club (RIC)
457/401a Plans
 Look forward to retirement!

Waukee Community School District
Plan Summary

		457 Employee Contribution Plan	401(a) Plan	403b Plan
Eligibility requirements		None	457 plan participation	None
Enrollment		Year-round – Call an RIC provider to request an enrollment kit or appointment. Return completed paperwork to the provider.		
Contributions		Minimum pretax and/or post-tax Roth payroll deductions of \$25/month; annual maximum limits set by IRS annually. Deductions may be changed at any time. A 3-Year Catch-Up benefit is available to qualified participants who are 4 years from normal retirement.	None	No minimum amount required unless specified by the employer. A 15-yr Special Catch-Up benefit is available to qualified participants who have 15+ years of service with current employer.
Rollovers in		Accepts eligible 457 plan assets. Roll-in assets may roll out at any time.	Accepts eligible 401(a), 401(k), 403(a), 403(b), and IRA (traditional, rollover, and SEP) assets. Roll-in assets may roll out again at any time.	
Fed & state tax	Pretax	Contributions and earnings are exempt until taxable distributions are made. ⇔		
	Roth	Contributions are subject to federal and state income tax when deducted from payroll. Earnings accumulate tax-deferred and are tax-free at distribution if qualified.	Not available	Not available
Vesting		Always 100% vested ⇔		
Investment options		A large selection of diversified investment options is available through RIC. You may change your investment selections online or by phone. There are no fees for moving money between RIC investments. (go to http://ric.iowa.gov , select your plan portal, then the <i>Providers & Investments</i> tab for more information)		
Distributions of assets while employed (processed by RIC)		Unforeseeable Emergency- Must prove financial hardship due to an unforeseeable emergency (complete <i>RIC Unforeseeable Emergency Form</i>). Taxed as ordinary income-no age penalty.	None	Hardship Withdrawal- Must prove financial hardship due to an unforeseeable emergency- (complete RIC Hardship Withdrawal Form)
		Cash Out Provision- Allowed if total assets=\$5,000 or less and no deferrals have been made for a 2-year period (complete <i>RIC Distribution Form</i>). Taxed as ordinary income-no age penalty.		Loans- Yes, up to 50% of all contributions
		Service Credit Purchase- A nontaxable transfer of pretax assets for purchase of permissive service credits such as IPERS (fax IPERS forms to RIC)		Service Credit Purchase- same as 457 plan
		Age 70 ½- Allowed (but not required) upon attainment of age 70 ½	⇔	Age 59 ½- Allowed (not required) upon attainment of age 59½
Options after separation from employment (processed by provider)		Remain invested- Assets remain invested without withdrawal restrictions or penalties. Distributions must begin at age 70 ½*.		
		Take payment- Total/partial lump sum, periodic, or lifetime payments or any combination. Pretax assets are taxed as ordinary income-no age penalty. Roth assets are tax-free for qualified distributions.	Take payment- Total/partial lump sum, periodic, or lifetime payments or any combination. Assets are taxed as ordinary income with the possible IRS 10% penalty before age 59½.	Take payment- Total/partial lump sum, periodic, or lifetime payments or any combination. Pretax assets are taxed as ordinary income-no age penalty. Roth assets are tax-free for qualified distributions.
		Rollover- Assets may roll out of RIC to an eligible plan.		
		Service Credit Purchase - Pretax assets may be transferred to IPERS for purchase of eligible service credits at any time after separation from employment.		

*Age 70 ½ requirement- IRS required minimum distributions must begin no later than April of the calendar year following the year you attain age 70½ or retire, whichever is later.